

## **EXHIBIT 5**

**TO PLAINTIFFS' MEMORANDUM IN  
SUPPORT OF THEIR MOTION FOR  
INJUNCTIVE RELIEF, INCLUDING ASSET  
FREEZE, ACCOUNTING AND  
REPATRIATION OF ASSETS**

**In The Matter Of:**  
*MARY PHILLIPA SLEDGE vs.*  
*INDICO SYSTEM RESOURCES, INC.*

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*CLEAL T. WATTS, III*  
*August 20, 2015*

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*Alpha Reporting Corporation*  
*236 Adams Avenue*  
*Memphis, TN 38103*  
*901-523-8974*



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1  
2 IN THE UNITED STATES DISTRICT COURT  
3 FOR THE WESTERN DISTRICT OF TENNESSEE  
4 WESTERN DIVISION

5 MARY PHILLIPA SLEDGE, MARY  
6 JANE PIDGEON SLEDGE TRUST, and  
7 PIDGEON SLEDGE FAMILY LIMITED  
8 PARTNERSHIP,

9 Plaintiffs,

10 Vs. Case No. 2:13-cv-2578STA-cgc

11 INDICO SYSTEM RESOURCES, INC.  
12 and CLEAL WATTS, III,

13 Defendants.

14 THE VIDEO DEPOSITION OF CLEAL T. WATTS, III

15 August 20, 2015

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19  
20 ALPHA REPORTING CORPORATION  
21 SHERYL G. WEATHERFORD, RPR  
22 236 Adams  
23 Memphis, Tennessee 38103  
24 901.523.8974  
25

1           The deposition of CLEAL T. WATTS, III,  
2       taken on this, the 20th day of August, 2015, on  
3       behalf of the Plaintiffs, pursuant to notice and  
4       consent of counsel, beginning at approximately  
5       8:29 a.m. in the law offices of Ballin, Ballin &  
6       Fishman, 200 Jefferson, Suite 1250, Memphis,  
7       Tennessee.

8           This deposition is taken in accordance  
9       with the terms and provisions of the Federal Rules  
10      of Civil Procedure.

11          All forms and formalities are waived.  
12      Objections are [reserved/not reserved], except as  
13      to form of the question, to be disposed of at or  
14      before the hearing.

15          The signature of the witness is waived.  
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**CLEAL T. WATTS, III - August 20, 2015**

163

1 is responsible for it as it states in here.

2 Q. Does Sheku Kondeh act on behalf of you or  
3 ISR in Africa?

4 A. He can find sellers for us. Yeah, I  
5 guess -- to a limited -- a very limited authority,  
6 yeah. I guess he would.

7 Q. I mean, what, do you trust that he's not  
8 going to abscond with the funds?

9 A. Yes.

10 Q. Do you think the funds are still in his  
11 account?

12 A. No.

13 Q. Where are they?

14 A. They're paid out for whatever was  
15 designated those funds were requested that -- the  
16 monies were sent over for. Whether it's  
17 insurance, shipping, taxes.

18 Q. What did my client authorize other than  
19 the purchase of gold?

20 A. She didn't authorize the purchase of gold.  
21 She authorized to get gold over here. So the --  
22 any kind of taxes, permits, shipping, whatever the  
23 costs were for shipping the gold to get the gold  
24 shipped over here, and that's all the monies were  
25 spent for.

**CLEAL T. WATTS, III - August 20, 2015**

164

1 Q. And the money that you sent to Sheku  
2 Kondeh you always wire to him?

3 A. Yes.

4 Q. You never send checks?

5 A. No. Never send checks. Don't do checks.

6 Q. Why is that?

7 A. Because it doesn't track as well as --  
8 it's not as safe and it's not as quick and it's  
9 not as accurate and just almost every reason you  
10 can think of you're better off to wire than you  
11 are to send a check.

12 Q. Why would sometimes you send him Western  
13 Union transfers?

14 A. When -- it takes a while for a wire to get  
15 over there, it can take a -- well, originally it  
16 could take a week or two weeks. Generally it's a  
17 week, several days, but if you needed something  
18 immediately like maybe the exchange rate because  
19 you may have to exchange from their currency to  
20 dollars and then go back to dollars or something  
21 that's short or something comes up and that the  
22 NRA tax, there's about six -- well, it depends on  
23 which country. There's about six different taxes.  
24 It could be something comes up that change or  
25 security -- things are constantly changing there,

**CLEAL T. WATTS, III - August 20, 2015**

165

1 especially now with the Ebola problems they had  
2 over there.

3 So when it changes, there may be  
4 something else that comes up that's a government  
5 regulatory or insurance regulatory or something  
6 else. Or Phillipa one time wanted to increase the  
7 percentage of the insurance. She wanted higher  
8 insurance for money to go -- although that was  
9 wired.

10 Q. Does any of this explain why you sent them  
11 Western Union rather than wire?

12 A. Yeah, it's all quicker. It's  
13 instantaneous.

14 Q. So it's your testimony is that Western  
15 Union is quicker than wire?

16 A. Instantaneous, yes.

17 Q. Why didn't you do it all by Western Union  
18 then?

19 A. Because there's too much to be sending it  
20 all, and they charge too much. It's cost  
21 prohibitive. I would not do it at all if there  
22 was any other way. Western Union, Money Gram,  
23 both, they're just disgustingly expensive.

24 Q. When was the last time you saw a document  
25 reflecting the balance in the Guaranty Trust

**CLEAL T. WATTS, III - August 20, 2015**

166

1 account where you sent the plaintiffs' money?

2 A. A document?

3 Q. Yes.

4 A. I have never seen a document.

5 Q. How do you know there's no money there  
6 anymore?

7 A. Talking to Desmond.

8 Q. Desmond gave you that information?

9 A. Yes, and I talked with --

10 Q. Are you authorized on that account?

11 A. I'm sorry?

12 Q. Are you authorized on that account?

13 A. No, I'm not.

14 Q. Then why would Desmond give you that  
15 information?

16 A. Because Kondeh was on the phone when we  
17 were talking a three way.

18 Q. Okay. And what was said on that phone  
19 call?

20 A. We were actually talking about the rate of  
21 exchange and the cost. Like if it needed \$1400  
22 there, how much all was it going to be over that  
23 because of exchange rates and everything else. If  
24 you do the bank rates, they have a different rate  
25 than if you do it out in the open market or



## CLEAL T. WATTS, III - August 20, 2015

167

1 something like that. And then the last time we  
2 were discussing it was because of Ebola they were  
3 locking down and just going to do like a minimum  
4 charge on any wires coming in to the country to  
5 get U.S. dollars or whatever currency out. They  
6 weren't going to be having the big numbers they  
7 used to.

8 And in that transaction we're talking  
9 about the monies that were in, how much was wired  
10 in, what is still there, how much actually made it  
11 to the account, how much money was in the account.  
12 Just basic, basic banking information.

13 Q. At the time of that conversation, how much  
14 money was in the account?

15 A. To be honest with you I can't remember  
16 exactly it was 14 -- I don't remember if it was  
17 1400 or 14,000.

18 Q. When was that conversation?

19 A. I can't tell you. Four, five months ago,  
20 three months ago. From time to time things will  
21 come up what needs to be done and what is  
22 required.

23 Q. Have you ever asked for an accounting of  
24 where the money in that account went?

25 A. No.

**CLEAL T. WATTS, III - August 20, 2015**

192

1 A. The whole thing had crashed. I mean, if  
2 you want me, I will explain what all went wrong  
3 with it, but the power shorting out, the battery  
4 went. I had to get a new power supply, new  
5 batteries, and the power part of the circuit board  
6 got to where it was shorting out and eventually  
7 like the screen went, everything went. It was  
8 just useless.

9 Q. ISR is a, as you call it, a high tech  
10 company; is that correct?

11 A. Yes.

12 Q. Did you have any backup?

13 A. No.

14 Q. Is that prudent?

15 A. No. But it's like the cobbler's kids have  
16 no shoes. I kept meaning to. I did have bits and  
17 pieces of backup which were the document -- the  
18 documents that were -- that we were using that I  
19 got which I had copies anyhow on the Internet  
20 because I keep -- you know, I kept them for email,  
21 I had copies of those. I had copies of the emails  
22 that were stuff that was on this machine was all  
23 from the Internet. So I had copies on the  
24 servers. So I guess, yes, I did have copies. And  
25 then I had bits and pieces of these things also

**CLEAL T. WATTS, III - August 20, 2015**

193

1 that I had saved on different things which I then  
2 put on -- since then on -- well, no, I guess  
3 they're on the Dropbox. I put them on the  
4 Dropbox.

5 Q. So what efforts did you take to recover  
6 data from this crashed computer?

7 A. It got to where I couldn't anything -- I  
8 couldn't get anything off. I tried. There's  
9 software you can use and things like that when you  
10 go -- well, if you want me to explain it but --

11 Q. You're welcome.

12 A. Okay. The normal stuff that you would use  
13 that you send off for somebody to recover things  
14 from crashed drives and things, I tried those  
15 software packages, and they weren't working. They  
16 wouldn't work.

17 Q. Where is the computer now?

18 A. Probably thrown away. I dropped it off at  
19 the -- just threw it away to Goodwill because  
20 there wasn't anything there. Somebody could get  
21 it and maybe use the memory, the CPU or something  
22 like that, but everything else was shot on it.  
23 The battery wasn't any good. The screen had gone  
24 out. The motherboards were out. Just -- it was  
25 shot. There wasn't anything to it.

**CLEAL T. WATTS, III - August 20, 2015**

194

1 Q. So it's your testimony that you brought it  
2 to Goodwill?

3 A. Yeah, or thrift shop or something like  
4 that, yeah, just left it there. Somebody there  
5 could -- the memory is old stuff. The CPU is old  
6 stuff. Everything else was -- maybe they could  
7 use a screen. I mean, the hinges were broke on  
8 it. It was shot, but it was -- I was busy. I get  
9 busy and you just keep doing things, and I kept  
10 nursing it, and I get it back up and going like,  
11 okay, well, I will do it later.

12 Q. What kind of computer was this?

13 A. It was an ASUS laptop. It was a good  
14 make. Good machine. But then I -- it was like  
15 five years old or something at the time.

16 Q. Debra Koper testified that you used more  
17 than one computer. Was she mistaken?

18 A. I have -- no. I don't use more than one  
19 computer. I only use the one computer. I have  
20 more computers there that are old ones that  
21 haven't been used since they started up -- since I  
22 shut them down five, six, seven years. Not used  
23 any of them.

24 Q. Why didn't you give those away to  
25 Goodwill?

CLEAL T. WATTS, III - August 20, 2015

195

1 A. Because they're on a bottom of a pile. If  
2 I move the pile, I will, and I have been meaning  
3 to because I need to get the office cleaned up. I  
4 gave -- I had a lot of stuff that was there. Some  
5 of it was good. I mean, was usable but older  
6 technology stuff.

7 Q. Where did you get these discovery  
8 responses verified in Texas, do you recall?

9 A. I don't know what you're talking about.

10 Q. Where did you get them notarized?

11 MR. TOWNLEY: Or are you on  
12 [Exhibit 9](#)?

13 MR. PIETRANGELO: No, [Exhibit 13](#).

14 BY MR. PIETRANGELO:

15 Q. Second to last page.

16 A. Oh, okay. Okay. What was this? I think  
17 this was Bank of America if I remember right.

18 Q. It's been marked [Exhibit 11](#).

19 A. Okay.

20 (Whereupon, a document was marked as  
21 [Exhibit No. 11](#).)

22 A. Okay.

23 Q. I think you have testified that in late  
24 2011 into early 2012 almost immediately after the  
25 plaintiffs wired money to your account --